

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: Robert S Gesdorf

)
) File No. 1300414
)

NOTICE OF HEARING

TO THE RESPONDENT: Robert S Gesdorf (CRD# 1474294)
 Moors & Cabot, Inc.
 999 Vanderbilt Beach Road
 Suite 602
 Naples, FL 34108

You are hereby notified that pursuant to Section 11.F of the Illinois Securities Law of 1953, [815 ILCS 5/1 et seq ,] (the "Act") and 14 Ill. Adm. Code 130, Subpart K, a public hearing will be held at 300 W. Jefferson Avenue, Suite 300A, Springfield, Illinois, 62702, on the 12th day of February, 2014 at the hour of 10:00 a.m. or as soon thereafter as counsel may be heard, before Jon K. Ellis or such other duly designated Hearing Officer of the Secretary of State.

Said hearing will be held to determine whether an Order should be entered suspending or revoking the registration of Robert S Gesdorf (the "Respondent") as a salesperson in the State of Illinois and/or whether to grant such other relief as may be authorized under the Act, including, but not limited to, imposition of a monetary fine in the maximum amount, pursuant to Section 11 E (4) of the Act, payable within ten (10) business days of the entry of the Order

The grounds for such proposed action are as follows:

1. At all times relevant hereto, Respondent was registered as a salesperson in the State of Illinois pursuant to Section 8 of the Act.
2. FINRA (the Financial Industry Regulatory Authority) is a private, non-governmental organization that is registered with the United States Securities and Exchange Commission as a self-regulatory organization pursuant to the Securities Exchange Act of 1934
3. At all times relevant hereto, Respondent was FINRA-registered and an employee of Robert W. Baird & Co. Incorporated (April 12, 2001 – November 13, 2008) and Stifel, Nicolaus & Co., Inc. (November 13, 2008 – June 2, 2010), FINRA-registered firms

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- 4 On September 25, 2013, FINRA entered an Order Accepting Offer of Settlement regarding File No. 2010023157401, which sanctioned Respondent as follows:
 - a. fined \$30,000, and
 - b. suspended from association with any FINRA member in any capacity for 2 months.
- 5 The FINRA suspension is effective from October 21, 2013 through December 20, 2013.
- 6 By submitting the Offer of Settlement, Respondent accepted FINRA's findings of fact.
 - a Respondent failed to disclose to his employer FINRA-registered firms that he had acted in a fiduciary capacity for firm customers and/or had a financial interest in any firm customer accounts. Respondent simultaneously acted as the account representative and was named as a trustee and/or beneficiary on the accounts of customers GK, JS, MW, JW, EB, AM, EM, and JB. Displaying a continuing pattern of material omissions as to his fiduciary and/or beneficiary status, Respondent failed to make 13 separate disclosures.
 - b Respondent failed to disclose to his employer FINRA-registered firms that he received gifts totaling approximately \$30,300 from clients.
- 7 Respondent also acknowledged the following violations.
 - a NASD Rule 2110 prohibiting the use of material, non-public information by FINRA members to buy or sell an option, security future or an underlying security, and
 - b. FINRA Rule 2010 requiring members to comply with the efforts of FINRA staff conducting an investigation.
8. Section 8.E(1)(j) of the Act provides, *inter alia*, that the registration of a salesperson may be suspended or revoked if the Secretary of State finds that such salesperson has had membership in or association with any self-regulatory organization registered under the Federal 1934 Act or the Federal 1974 Act suspended, revoked, refused, expelled, cancelled, barred, limited in any capacity, or otherwise adversely affected in a similar manner arising from any fraudulent or deceptive act or a practice in violation of any rule, regulation or standard duly promulgated by the self-regulatory organization.
- 9 Section 11 of the Act provides, *inter alia*, that the Secretary of State may suspend or revoke the registration of a salesperson after an opportunity for hearing upon not less

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than 10 days notice given by personal service or registered mail or certified mail, return receipt requested, to the person or persons concerned


10. By virtue of the foregoing, Respondent has violated Section 8.E(1)(j) of the Act and is subject to an order which revokes the Respondent's registration as a salesperson of securities in the State of Illinois pursuant to Sections 8.E(1)(j) and 11 of the Act

You are further notified that you are required pursuant to Section 130.1104 of the Rules and Regulations (14 Ill. Adm. Code 130.100 et seq) (the "Rules") to file an answer to the allegations outlined above or a Special Appearance pursuant to Section 130.1107 of the Rules, or other responsive pleading within thirty (30) days of the receipt of this Notice. A failure to do so within the prescribed time shall be deemed an admission of the allegations contained in the Notice of Hearing and waives your right to a hearing.

You may be represented by legal counsel, present evidence, cross-examine witnesses and otherwise participate. However, a failure to appear shall constitute default.

Delivery of Notice to the designated representative of the Respondent constitutes service upon such Respondent.

ENTERED: This 19th day of November 2013


JESSE WHITE
Secretary of State
State of Illinois

Attorney for the Secretary of State.

Shannon Bond
Illinois Securities Department
300 W. Jefferson St., Suite 300A
Springfield, Illinois 62702
Telephone (217) 524-0648

Hearing Officer

Jon K. Ellis